

Dairy subsidy might survive

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WASHINGTON -- Vermont dairy farmers got some renewed hope Wednesday when the head of the Senate Agriculture Committee announced he would revive the federal dairy subsidy program in a budget bill expected to be approved by the committee today.

Payments through the Milk Income Loss Contract Program would be cut by 20 percent but would be extended through Sept. 30, 2007, with \$998 million in federal funding.

The program, which brought more than \$45 million to Vermont farmers during the past three years, expired Saturday. Nationwide, the program has provided more than \$2 billion to dairy farmers when milk prices were low.

The Vermont congressional delegation said last week it would be difficult to revive the program because Congress is looking for ways to cut the federal budget to help rebuild the Gulf Coast in the wake of the hurricanes.

But Sen. Patrick Leahy, D-Vt., a senior member of the Agriculture Committee, helped negotiate a deal with Chairman Saxby Chambliss, R-Ga., to renew the program for two years. At that point, Leahy and other dairy state lawmakers hope to extend the program even further as part of a five-year farm bill.

"We still have miles to go to the finish line, but now we've gotten a MILC renewal plan onto the track," Leahy said. "We know how much Vermont's dairy farmers depend on this lifeline, and we know there are more obstacles ahead of us, but we will continue to do all we can to renew it."

The committee's action is just the first step in efforts by lawmakers from Minnesota, New York, Pennsylvania, Vermont and Wisconsin to revive the expired program.

Any legislation passed by the Senate Agriculture, Nutrition and Forestry Committee must be approved by the full Senate and House and signed into law by President Bush as part of a big budget reconciliation bill.

While Leahy welcomed the revival of the MILC program, he said he was not happy that it is part of a bill that also would cut the federal food stamp program by more than \$574 million. Still, he planned to vote in favor of the bill today because of the dairy subsidy, spokesman David Carle said.

Sen. Jim Jeffords, I-Vt., praised Leahy for keeping the subsidy alive.

"The MILC program offers assistance only when times are tough, and it's been very effective and efficient," Jeffords said. "There are going to be some very tough choices in the (budget) reconciliation process, but I am pleased that the MILC extension will be included."